(SHRIMATI VASUNDHARA RAJE): (a) Yes, Sir.

(b) Mutually agreed action plans have been prepared by the Atomic Energy Regulatory Board (AERB) and each of the nuclear installations. Progress in the implementation of the action plans is constantly monitored by the AERB.

(c) and (d) These safety issues do not have any relevance with the Pokhran tests.

New policy on exploitation of Beach Minerals

2051. SHRI VAYALAR RAVI: Will the PRIME MINISTER be pleased to state:

(a) whether Government have announced any new policy on Exploitation of beach sand minerals;

(b) if so, the details thereof;

(c) what are the reasons for these changes and allowing the foreign companies to exploit our rich deposit of minerals; and

(d) what are the provisions to control the export of the same which may be used for nuclear weapon development?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRIMATI VASUNDHARA RAJE): (a) yes, Sir.

(b) a summary note is given in the enclosed statement (*See* below)

(c) Considering the growing demand for beach sand minerals and/or their value-added products in the domestic as well as international markets and the potential available in the country, setting up of new plants for exploitation of the deposits in fresh locations is in the interest of the country. Production of various value-added products of these minerals is, however, highly capital intensive and it may not be possible only for the few Public Sector Undertakings (Central and State owned), so far the only entities operating in this field under the industrial Policy Resolutions of the Central government, to set up the new plants on their own. It was, therefore, considered necessary to allow the participation of the private sector (including foreign direct investment) in setting up such plants within the framework of some broad guidelines. The policy referred to above provides these guidelines.

(d) Under the new policy, the relevant provisions of the Atomic Energy Act, 1962 and the Rules and Orders thereunder will continue to apply to the exploitation of beach sand minerals, including their export, to the extent such minerals are notified as prescribed substances and require licensing under the provisions of the said Act, Rules, Orders, etc. The policy also provides that the mining leases under the Mines and Minerals (Regulation & Development) Act 1957 and the Rules thereunder will continue to require the approval of the State Government(s) concerned. The policy thus maintains all the existing statutory controls relating to such beach sand minerals which are notified as prescribed substances under the Atomic Energy Act, 1962 and other relevant Acts, Rules, etc.

Statement

Summary Note on the Policy for Exploitation of Beach Sand Minerals

1. India has large reserves of beach sand minerals in the coastal stretches around the country. Ilmenite is the largest constituent of the Indian beach sand deposits, others being rutile, leucoxene, zircon, sillimanite, garnet and monazite. The minerals other than garnet and sillimanite have been classified as "prescribed substance" under the Atomic Energy Act, 1962.

2. Under the Industrial Policy Resolution of 1991, the mining and production of minerals classified as "prescribed substances" is reserved for the public sector. However, the Policy Resolution also allows selective entry of the private sector in the industries so reserved. At present, the Indian Rare Earths Limited (IREL), a Government of India (Department of Atomic Energy) undertaking and Kerala Minerals & Metals Ltd. (KMML), a Government of Kerala undertaking are engaged in mining, production and processing of these minerals from the beach sand deposits at a few locations in Orissa, Tamil Nadu and Kerala. Considering the growing demand for these minerals and/or their value-added products in the domestic as well as international markets and the potential

available in the country, setting up of new plants for exploitation of the deposits in fresh locations would be in the interest of the country. Production of various value-added products of these minerals is, however, highly capital intensive and it may not be possible for only the PSUs (both Central and State owned) operating in this field to set up the new plants on their own. It is, therefore, necessary to allow the private sector to set up such plants within the framework of some broad guidelines.

3. In view of the background explained above, Government of India has recently approved a policy to encourage further exploitation of these mineral deposits through a judicious mix of public and private sector participation (including foreign investment).

4. (a) The activities in this field have been placed in three categories:

(i) Mining and mineral separation.

(ii) Value addition per se to the products of (i).

(iii) Integrated activities [comprising both (i) and (ii)].

(b) Participation of wholly Indian owned companies will be permitted in all the above mentioned categories of activities, with or without joint venture with the Central or State Government(s) concerned or any existing or new Central/State PSUs.

(c) Foreign direct investment, particularly with more advanced/latest technology vis-a-vis what is being used by the domestic entities currently operating in the field, will be permissible in pure value addition projects [category in para. 4(a) (ii), i.e., without mining and mineral separation] as well as integrated projects [category in para. 4(a) (iii), i.e., comprising both mining & mineral separation and value addition].

(c)(i) Upto seventy four percent (74%) foreign equity participation will be permissible in both pure value addition and integrated projects, provided the level of value addition is the maximum according to the prevailing international standards/levels of value addition to the products of mining and mineral separation of beach sand minerals.

(c)(ii) For pure value addition projects as well as integrated projects with value addition upto any intermediate stage foreign equity participation would be permitted upto seventy four per cent (74%) through the instrument of joint venture company(ies) with Central/State PSUs such that the independent equity holding of at least one PSU is not less than twenty six per cent (26%) of the total equity.

(c)(iii) in exceptional cases where foreign equity participation above seventy four per cent (74%) is unavoidable, approval will be subject to the clearance of the Atomic Energy Commission.

(d) If monazite is produced in the process of exploitation of beach sand minerals, such monazite shall be disposed of by the entity concerned, at its cost, in accordance with the instructions/directives of the Atomic energy Regulatory Board or any person/body authorised by the competent authority in accordance with the provisions of the Atomic Energy Act and the Rules and Order thereunder.

(e) The provisions of the Atomic Energy Act and the Rules and Orders thereunder will continue to apply to the exploitation of beach sands minerals, including their import/export, to the extent such minerals are notified as prescribed substances and require licensing under the said provisions. The mining leases under the Mines and Minerals (Regulation & Development) Act will continue to be granted by the State Government(s) concerned.

(f) All cases of foreign direct investment in activities relating to exploitation of beach sand minerals, whether or not such minerals per se are notified as prescribed substances under the provisions of the Atomic Energy Act, will continue to be processed for approval and regulated in accordance with all other guidelines, norms, stipulations, etc., of the Central Government (Ministry of Industry, Ministry of Finance, etc.) and the Reserve Bank of India, to the extent that these other guidelines, etc., are not inconsistent with the guidelines detailed in this policy.